

Saskatchewan Post-Secondary Education Indicators



Earnings Premiums of Saskatchewan Post- Secondary Credentials 2021

Executive Summary

This report provides summary results of an analysis to quantify the impact that earning a post-secondary credential has on a graduate's income potential. The report was developed by the Saskatchewan Ministry of Advanced Education (the ministry) and the Saskatchewan Post-Secondary Indicators Working Group. The methodology was originally developed by RTI International, a non-profit independent research institute.

The additional income a person earns because of attaining a higher level of education is referred to as an earnings premium. In 2021, compared to someone with no high school completion, Saskatchewan residents earned on average, an extra \$9,520 with a high school diploma, an extra \$17,780 with a post-secondary certificate or diploma, an extra \$30,010 with a Bachelor's Degree, and an extra \$42,240 with a graduate or professional degree.

This portion of the study concludes by estimating the financial impact of higher education over a worker's lifetime (from age 25 to 64). The lifetime earnings of a Saskatchewan resident with a high school diploma are over \$400,000 more than someone with no high school diploma, which increases to over \$700,000 with a post-secondary certificate or diploma, over \$1.2 million with a Bachelor's Degree and nearly \$1.8 million with a graduate or professional degree.

The study further examines the impact of higher levels of education for Indigenous people and by gender. At the highest levels of educational attainment (Bachelor's Degree and above), the pay gap between non-Indigenous and Indigenous people closes entirely, while a pay gap persists between men and women, even among those who have attained higher levels of post-secondary education.

About This Report

This report is a collaboration of the ministry and the Saskatchewan Post-Secondary Education Indicators Project. The Project's working group is composed of ministry staff and representatives from Saskatchewan's four credential-granting institutions: the University of Saskatchewan, the University of Regina, Saskatchewan Polytechnic, and Saskatchewan Indian Institute of Technologies. Saskatchewan's federated colleges, regional colleges, and the Dumont Technical Institute are indirect participants in the working group because the credentials their students receive are brokered by the aforementioned four institutions.

The methodology was originally developed by RTI International, in collaboration with the Ministry of Advanced Education and the Post-Secondary Indicators Working Group. The modelling and analysis is anticipated to be updated on an annual basis.

All numbers are rounded to the nearest 10. As a result, there are some cases where the rounding of different subgroups of data causes the subgroups to not add up to the total number.

Data Sources

Earning Premium data is sourced from Statistics Canada's 2021 Census, Table 98-10-0427-01 *"Employment income statistics by Indigenous identity and highest level of education: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts."*

- Our study uses the average employment income of Saskatchewan residents aged 25 to 64 (total work activity during the reference year).
- Employment income data reported in the 2021 Census is based on an individual's full - year 2020 income, which has been inflated to report 2021 average incomes and earnings premiums (using Statistics Canada Table 18-10-0005-01, *"Consumer Price Index, annual average, not seasonally adjusted."*)

Earnings Premium from Attaining a Post-Secondary Credential

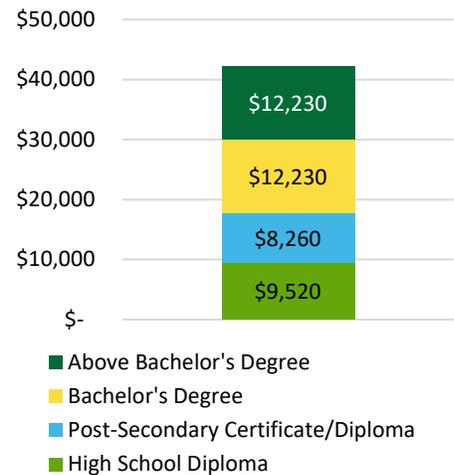
On average in Saskatchewan, as the amount of education a person attains increases, so does their average annual earnings. The earnings premium is calculated as the difference between the average earnings of people with different levels of educational attainment.

In 2021, Saskatchewan residents earned an average annual earnings premium of:

- \$9,520 from obtaining a high school diploma compared to no high school completion;
- an additional \$8,260 for obtaining a post-secondary certificate or diploma;
- an additional \$12,230 for obtaining a bachelor’s degree, and
- an additional \$12,230 for obtaining a graduate or professional degree above the bachelor’s level (see Figure 1).

This means that a person with a degree above the Bachelor’s level earned an average of \$42,240 more each year than a person without a high school diploma.

Figure 1
Average Annual Earnings Premium by Credential Level in Saskatchewan, 2021



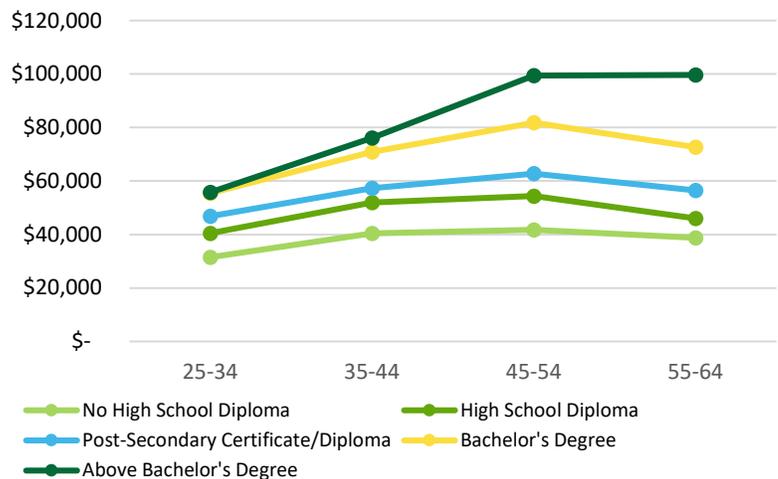
Lifetime Earnings Premium

The earnings premiums associated with each credential level persist through every age group. Generally, earnings increase with age for the majority of a person’s career but decrease on average for those aged 55 to 64 (see Figure 2).

When averaged out across 40 years of working between ages 25 and 64, this suggests a cumulative earnings premium of:

- \$404,770 from obtaining a high school diploma compared to no high school completion;

Figure 2
Average Annual Income by Highest Education Level and Age



- an additional \$305,840 for obtaining a post-secondary certificate or diploma;
- an additional \$574,420 for obtaining a bachelor’s degree; and
- an additional \$500,350 for obtaining a graduate or professional degree above the bachelor’s level (see Table 1).

This means that a person with a degree above the Bachelor’s level earned an average of \$1.8 million more over their career than a person without a high school diploma.

Table 1

Average Cumulative Earnings Premium Between Ages 25 and 64 by Highest Education Level in Saskatchewan

Highest Education Level	Average Total Earnings Age 25-64	Earnings Premium Above Previous Level	Earnings Premium Above No High School
No High School Diploma	\$ 1,523,440		
High School Diploma	\$ 1,928,210	\$ 404,770	\$ 404,770
Post-Secondary Certificate/Diploma	\$ 2,234,040	\$ 305,840	\$ 710,610
Bachelor's Degree	\$ 2,808,460	\$ 574,420	\$ 1,285,030
Above Bachelor's Degree	\$ 3,308,810	\$ 500,350	\$ 1,785,380

Earnings Premiums by Gender

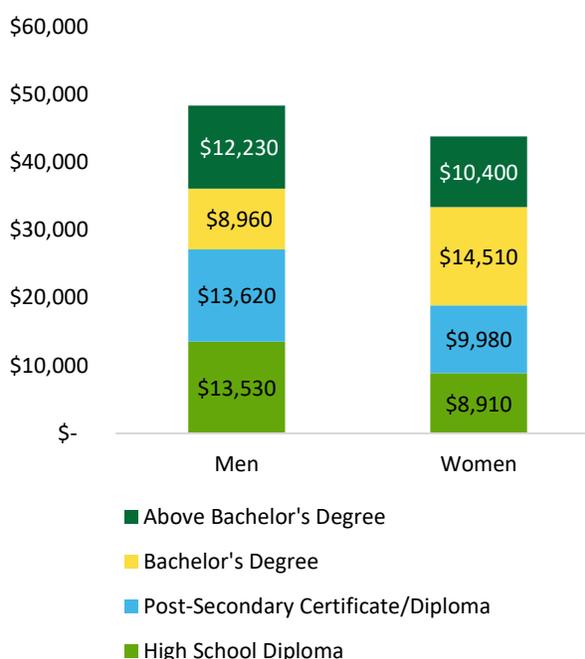
The earnings premiums for obtaining higher levels of education benefit both men and women in Saskatchewan, with both earning substantially more with each level of education attained (see Figure 3).

However, as women earn significantly less than men among those without a high school diploma, and at most education levels the earnings premium is higher for men than for women, significant gender earnings gaps persist at all levels of educational attainment in Saskatchewan (see Figure 4).

Among Saskatchewan residents without a high school diploma, women earn just 62% of what men earn, which increases just slightly to 63% for those with a high school diploma, and 65% for those with a post-secondary certificate or diploma. This disparity improves somewhat with the attainment of a university degree;

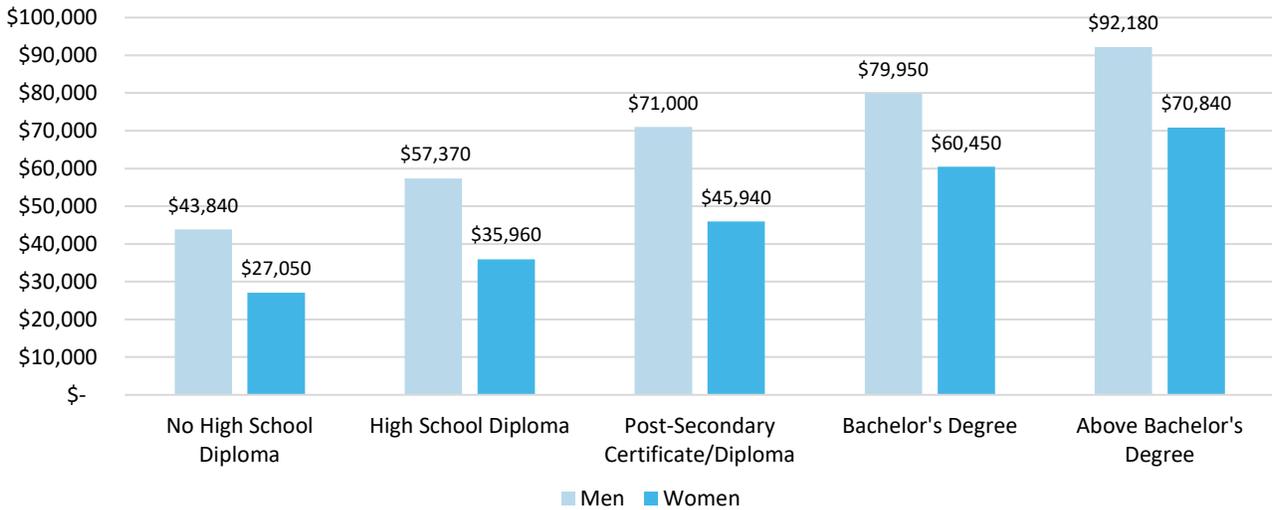
Figure 3

Average Annual Earnings Premium by Gender, 2021



women who hold a bachelor’s degree in the province earn 76% of what men earn, and 77% with a degree above the bachelor’s level. Higher levels of education help narrow the gender pay gap, but significant disparities remain.

Figure 4
Average Annual Income in Saskatchewan by Gender, 2021



Earnings Premiums for Indigenous Persons

Higher levels of education have a significant impact on earnings for Indigenous people in Saskatchewan.

Compared to non-Indigenous residents of the province, the earnings premium is higher for Indigenous people at every level of educational attainment except for a post-secondary certificate or diploma. It is significantly higher at the university levels (see Figure 5).

Among those without a high school diploma, Indigenous people in Saskatchewan earn significantly less than non-Indigenous people (only 75% as much), but this gap closes with each level of higher education attained. Indigenous people make 81% of the earnings of non-Indigenous people with a high school diploma, 83% with a post-secondary certificate or diploma, and 97% with a bachelor’s degree. For those who have attained a degree above the bachelor’s level, Indigenous people earn more on average than non-Indigenous people with the same level of education (see Figure 6).

Figure 5
Average Annual Earnings Premium by Indigenous Identity, 2021

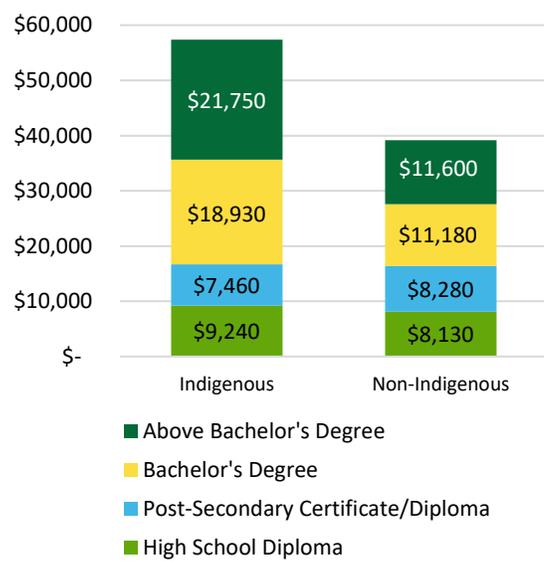


Figure 6

Average Annual Income in Saskatchewan by Indigenous Identity, 2021

